

BAKER BOTTS LLP

ONE SHELL PLAZA
910 LOUISIANA
HOUSTON, TEXAS
77002-4995

TEL +1 713.229.1234
FAX +1 713.229.1522
www.bakerbotts.com

ABU DHABI
AUSTIN
BEIJING
DALLAS
DUBAI
HONG KONG
HOUSTON
LONDON
MOSCOW
NEW YORK
PALO ALTO
RIYADH
WASHINGTON

March 12, 2010

BY ELECTRONIC MAIL

Mr. Eddy Lin
MC-206, Air Quality Division, TCEQ
P.O. Box 13087
Austin TX 78711-3087
elin@tceq.state.tx.us

Jason C. Moore
TEL +1 713.229.1723
FAX +1 713.229.7723
jason.moore@bakerbotts.com

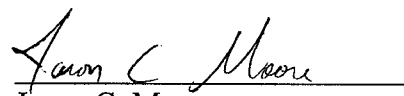
Re: Chapter 115 Stakeholder Group

Dear Eddy:

The Texas Terminal Operators Group appreciates the opportunity to provide supplemental informal comments on issues with the degassing rules in 30 TAC Chapter 115. The Group's comments are enclosed.

For further information, please do not hesitate to contact me.

Sincerely


Jason C. Moore

Texas Terminal Operators Group

Supplemental Informal Comments on Chapter 115 Degassing Rules

The Texas Terminal Operators Group (“the Group”) appreciates the opportunity to provide supplemental informal comments on the revised degassing rules in 30 TAC Chapter 115. Group members own or operate a significant percentage of the for-hire industrial storage tanks in the Houston-Galveston-Brazoria (“HGB”) area. The Group is comprised of Houston Fuel Oil Terminal Company, Intercontinental Terminals Company LLC, Kinder Morgan Liquid Terminal LLC, LBC Houston LP, Oiltanking Holding Americas Inc., Stolthaven Houston Inc., and Vopak Logistics North America Inc.

On December 11, 2009, the Group filed informal comments addressing several issues relating to revisions to certain tank degassing rules in Chapter 115 that became effective January 1, 2009. Since December 11, the Texas Commission on Environmental Quality (“TCEQ”) has introduced additional rule revision options under consideration. Among these additional rule options, TCEQ is considering a proposed new requirement that degassing operations must begin within 24 hours after a floating roof tank is completely drained or the drain pump loses suction.

The Group opposes this proposed requirement for the following reasons.

Requiring degassing to start within 24 hours after a floating roof tank is drained fails to account for the technical logistics of typical storage tank operations at for-hire terminals. In many instances, tanks are not degassed when a floating roof has landed and an immediate product change in service is planned. In such situations, the tank is not actively vented and experiences minimal breathing losses due to standing idle, as compared to the total emissions generated during degassing.

Moreover, storage terminal operators are not always informed of the disposition of a given storage tank within 24 hours after the tank is drained. This is determined by the commercial decisions of the terminal’s contracted storage customer. Requiring degassing to commence within 24 hours of draining the tank could force degassing to occur in situations that are not intended by the scope of the current or proposed Chapter 115, Subchapter F, Division 3 regulations. For example, if a terminal operator does not know the disposition of a tank at the time it is drained, the terminal would be forced to commence degassing within 24 hours, even though the tank ultimately might not be cleaned or otherwise opened for personnel entry. In this circumstance, degassing would be required to be performed, although the tank never triggers the applicability requirements of the Chapter 115 degassing regulations.

Even for planned degassing operations, in many instances 24 hours is not sufficient time to safely commence degassing activities. Degassing is often performed using portable equipment owned and operated by third-party contractors. It often takes more than 24 hours to mobilize the third-party degassing equipment in order to safely begin operations. This is particularly true when terminal operators experience unforeseen operational delays due to circumstances beyond the terminal facility’s control. It is for these reasons that many Group members’ operating permits allow more than 24 hours before starting degassing activities. These

permit provisions resulted from site-specific evaluations of operations and reflect the fact that breathing losses may continue for several days without causing significant emissions.

For the above reasons, the Group encourages TCEQ to refrain from proposing or finalizing a new requirement that degassing operations must begin within 24 hours after a floating roof tank is completely drained or the drain pump loses suction. If a deadline must be added to the degassing rules, the Group recommends that the revised rules allow more than 24 hours before starting degassing operations consistent with operating permits currently in effect.